

2021 Regular Session

HOUSE BILL NO. 582

BY REPRESENTATIVES MCFARLAND AND BUTLER

TAX/GASOLINE TAX: Dedicates a portion of the existing tax levied on gasoline and diesel into the Construction Subfund and imposes a one-time road-use fee on electric and hybrid vehicles

1 AN ACT

2 To enact Part II-A of Chapter 3 of Title 32 of the Louisiana Revised Statutes of 1950, to be
3 comprised of R.S. 32:461, and R.S. 47:818.12(E), relative to transportation projects;
4 to provide for the funding of transportation projects; to provide for the excise tax
5 levied on gasoline and diesel; to require a portion of the excise tax levied on gasoline
6 and diesel to be dedicated into the Construction Subfund of the Transportation Trust
7 Fund; to impose a road-use fee on electric and hybrid motor vehicles; to provide for
8 the collection and disposition of the proceeds; to provide for certain definitions; to
9 provide for requirements and limitations; to provide for an effective date; and to
10 provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. Part II-A of Chapter 3 of Title 32 of the Louisiana Revised Statutes of
13 1950, comprised of R.S. 32:461, is hereby enacted to read as follows:

14 PART II-A. ELECTRIC VEHICLES AND HYBRID VEHICLES

15 §461. Electric vehicles; hybrid vehicles; imposition of a road-use fee; collection;
16 use of proceeds

17 A.(1) There is hereby levied an annual road use fee of two hundred dollars
18 per year on each electric vehicle which is operated upon the highways of this state
19 and which is required to be registered and to pay registration license tax in
20 accordance with the provisions of Chapter 4 of Subtitle II of this Title.

1 (2) There is hereby levied an annual road use fee of one hundred dollars per
2 year on each hybrid vehicle which is operated upon the highways of this state and
3 which is required to be registered and to pay registration license tax in accordance
4 with the provisions of Chapter 4 of Subtitle II of this Title.

5 B. For purposes of this Section, the following terms shall have the following
6 meanings:

7 (1) "Electric vehicle" shall mean a vehicle which is powered by one or more
8 electric motors or energy stored in rechargeable batteries for propulsion.

9 (2) "Hybrid vehicle" shall mean a vehicle that uses gasoline, diesel fuel, or
10 special fuels in combination with an electric motor for propulsion.

11 C.(1) The initial fee imposed pursuant to the provisions of this Section shall
12 be collected by the motor vehicle dealer from the purchaser at the time of sale or
13 lease of a new or used electric vehicle or a new or used hybrid vehicle. The fee shall
14 be collected by the dealer and remitted to the office of motor vehicles in the same
15 manner as all sales and use taxes are collected. The dealer shall indicate on the bill
16 of sale or the lease agreement that the vehicle is an electric vehicle or a hybrid
17 vehicle and shall provide a copy of the bill of sale or the lease agreement to the
18 commissioner of motor vehicles. The commissioner of motor vehicles shall note the
19 fuel type of these motor vehicles in order to track these vehicles for purposes of
20 collecting the road use fee.

21 (2) Each year after the initial fee is imposed, no less than thirty days prior
22 to the anniversary date of the purchase or lease of the vehicle, the commissioner of
23 motor vehicles shall send written notice to the last known address of the registered
24 owner of the vehicle indicating the amount of the annual fee due and the deadline for
25 payment of the fee. All fees shall be due no later than thirty days from the date the
26 notice is mailed to the registered owner or lessee of the vehicle by the commissioner
27 of motor vehicles.

Proposed law requires the initial fee to be collected by the motor vehicle dealer from the purchaser at the time of sale or lease of a new or used electric vehicle or hybrid vehicle and to remit the fee to the office of motor vehicles in the same manner as all sales and use taxes are collected. Further requires the dealer to indicate on the bill of sale or the lease agreement that the vehicle is an electric vehicle or a hybrid vehicle and to provide a copy of the bill of sale or the lease agreement to the commissioner of motor vehicles, hereinafter "commissioner".

Proposed law requires the commissioner of motor vehicles to note the fuel type of electric and hybrid motor vehicles for purposes of the collecting the road use fee.

Proposed law provides that each year after the initial fee is imposed, no less than 30 days prior to the anniversary date of the purchase or lease of the vehicle, the commissioner shall send written notice to the last known address of the registered owner of the vehicle indicating the amount of the annual fee due and that the deadline to pay the fee is 30 days from the date the notice is mailed to the registered owner by the commissioner.

Proposed law provides the office of motor vehicles, no later than Jan. 1, 2022, to update forms related to the transfer of ownership of motor vehicles to include information regarding the fuel type of all motor vehicles required to be registered in this state. The requirements of proposed law shall apply to all transfers of ownership including sales by dealers, private sales of motor vehicles, and out of state transfers.

Proposed law requires the office of motor vehicles to collect the road use fee on all transfers of ownership of an electric vehicle or a hybrid vehicle.

Proposed law requires the commissioner to deposit the proceeds of the fees collected into the treasury. After compliance with the requirements of the present constitution, requires the treasurer to deposit an amount equal to the proceeds of the fee imposed into the Construction Subfund of the TTF.

Effective on July 1, 2021.

(Adds R.S. 32:461 and R.S. 47:818.12(E))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Delete repeal of the 16¢ per gallon tax on gasoline, diesel, and special fuels.
2. Delete the levy of a new 16¢ per gallon tax on gasoline, diesel, and special fuels.
3. Beginning July 1, 2021, dedicate \$120M of the avails of the tax levied on gasoline and diesel in present law into the Construction Subfund of the TTF after all requirements associated with bonds, refunding bonds, and all required and related payments under any interest rate swap agreements secured by the avails of the tax are satisfied.
4. Delete the annual tax of \$200 per year levied on each electric vehicle and the annual tax of \$100 per year on each hybrid vehicle operated on state highways which are required to be registered and to pay registration license tax in accordance with present law.
5. Impose a one-time road use fee of \$1,000 on each electric vehicle and one-time road use fee of \$500 on each hybrid vehicle which is operated upon the highways

of this state and which is required to be registered and to pay registration license tax in accordance with present law.

6. Change the collection of the fee from the office of motor vehicles every two years to motor vehicle dealers to be collected from the purchaser at the time of sale of a new or used electric vehicle or hybrid vehicle.
7. Delete provisions requiring the legislative auditor to commence a comprehensive audit of the Dept. of Transportation and Development to review the department's operations, organizational efficiency, and performance in regard to the department's utilization of operating revenues and to review the use of the avails of the taxes deposited into the Construction Subfund of the TTF.

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Change the road use fee from a one-time fee to an annual fee and reduce the amount of the fee for electric vehicles from \$1,000 to \$200 per year and from \$500 to \$100 per year for hybrid vehicles.
2. Require the commissioner of motor vehicles to note the fuel type of electric and hybrid motor vehicles for purposes of collecting the road use fee.
3. Require the initial fee to be collected by the dealer at the time of purchase or lease of new or used electric or hybrid motor vehicles and collection of the fee in subsequent years by the office of motor vehicles.
4. Require the office of motor vehicles, no later than Jan. 1, 2022, to update forms related to the transfer of ownership of motor vehicles to include information regarding the fuel type of all motor vehicles required to be registered in this state.
5. Require the office of motor vehicles to collect the road use fee on all transfers of ownership of an electric vehicle or a hybrid vehicle.